Frank A. Pfiffner HUGHES BAUMAN PFIFFNER GORSKI & SEEDORF, LLC 3900 C Street, Suite 1001 Anchorage, Alaska 99503 Telephone: 907-274-7522

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Attorneys for Defendant St. Paul Fire and Marine Insurance Company and its Payment bond No. TC6016

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ALASKA

UNITED STATES OF AMERICA for the use and benefit of SPENARD BUILDERS SUPPLY, INC.

Plaintiff,

VS.

ST. PAUL FIRE AND MARINE INSURANCE COMPANY and its Payment Bond No. TC6016,

Defendant.

3:05-cv-00287 TMB

JOINT STATUS REPORT

Pursuant to the court's order dated October 31, 2006, the parties have conferred and hereby provide the court with a joint status report submitted by defendant's

Joint Status Report

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counsel. Spenard Builders Supply, Inc. and Strand Hunt Construction, Inc. have scheduled a binding arbitration before Attorney Mark Bledsoe as the arbitrator to resolve their dispute, which is also the subject of and/or which relates to SBS's Miller Act claim. The arbitration is scheduled for March 6-8, 2007, in Anchorage. After the arbitration concludes the arbitrator will have 30 days to decide the matter. Thus by approximately April 8, 2007, the parties expect an arbitration decision that will most likely resolve this case. The parties request that the court set a deadline of May 30, 2007, for a further status report or closing papers to be submitted to the court.

DATED at Anchorage, Alaska, this 16th day of January, 2007.

HUGHES BAUMAN PFIFFNER GORSKI & SEEDORF, LLC Attorneys for Defendant St. Paul Fire and Marine Insurance Company and its Payment Bond No. TC 6016

By: s/ Frank A. Pfiffner

Frank A. Pfiffner 3900 C Street, Suite 1001 Anchorage, Alaska 99503 Telephone: 907-274-7522 Facsimile: 907-263-8320

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DATED at Anchorage, Alaska, this 16th day of January, 2007.

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HOLMES WEDDLE & BARCOTT, P.C. Attorneys for Use-Plaintiff Spenard Builders Supply, Inc.

By: s/Grant E. Watts (consent)

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Certificate of Service

I hereby certify that on January 16, 2007, a copy of the Joint Status Report was served electronically on:

Grant E. Watts Holmes Weddle & Barcott, P.C. 701 W. Eighth Avenue, Suite 700 Anchorage, AK 99501-3408

s/Frank A. Pfiffner

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